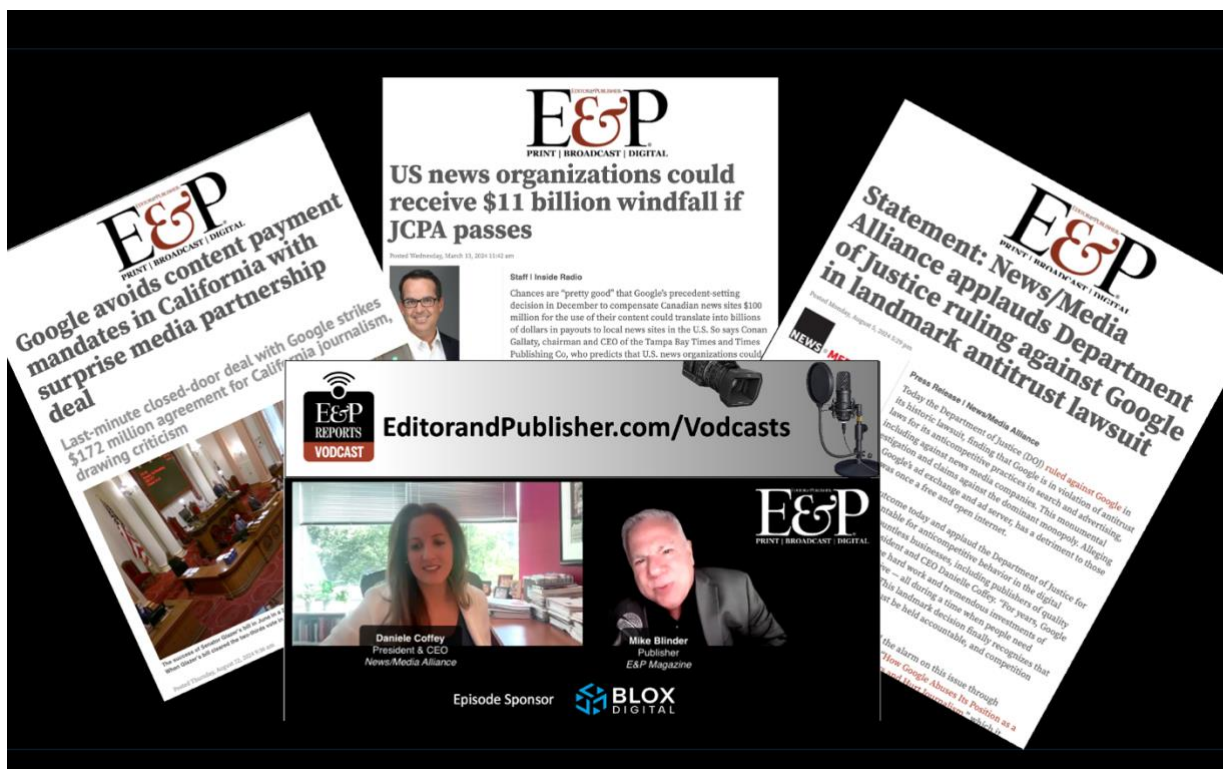


Audio Transcript
Episode 249 of "[E&P Reports](#)" Vodcast Series
with *Mike Blinder*
Publication date: Monday August 26, 2024



[From California to Congress: Danielle Coffey of the NMA breaks down the California-Google deal, the JCPA, and recent antitrust wins](#)

In this episode of "E&P Reports," Danielle Coffey, President & CEO of the [News/Media Alliance \(NMA\)](#), discussed recent developments in the media landscape, highlighted the implications of California's public-private partnership with Google, the status of the Journalism Competition & Preservation Act (JCPA), and the recent Department of Justice (DOJ) ruling against Google for antitrust violations. Coffey emphasized the ongoing challenges and opportunities for news publishers in securing fair compensation for their content from Big Tech platforms. She reiterated the importance of unity within the industry to navigate these changes effectively and advocated for continued legislative and legal efforts to protect and support quality journalism.



0:00:00.2 Announcer: This is E&P Reports, a vodcast from Editor and Publisher Magazine, the authoritative voice of news media since 1884, serving newspapers, broadcast, digital, and all forms of news publishing.

0:00:20.1 Mike Blinder: And greetings once again, Mike Linder, publisher of E&P Magazine. As always, we kick off with housekeeping, urging those who find us on podcast platforms to follow. Those that watch on the YouTube channel, please hit the subscribe button below, smash the bell to the right. You'll get an update each and every time we upload this weekly vodcast series. We dedicate to news publishing, E&P Reports. Danielle Coffey, welcome back to the program.

0:00:44.6 Danielle Coffey: Thank you very much, Mike. Thanks for having me.

0:00:46.8 MB: We have a new tradition on our show. Now that every other story we do, if not every story is on AI. I mean, what we do now is rather than me read your profile to those that don't know who you are off of LinkedIn, we go to ChatGPT and ask it to describe our famous guests like you. And you get a chance to rate AI from an A to an F and how it describes Danielle Coffey. Are you ready? Here we go. I don't know if you've looked at yourself, but I'm.

0:01:14.1 DC: No.

0:01:14.3 MB: Here you go. Here's ChatGPT's explanation of you. Danielle Coffey is the president and CEO of the News Media Alliance, trade organization that represents news publishers and media companies. News Media Alliance advocates for policies and business practices that support the sustainability of journalism and the news industry. Coffey has been involved in efforts to secure fair compensation for news organizations from tech companies like Google and Facebook, particularly through legislation like the Journalism, Competition and Preservation Act, which we will discuss, JCPA.

0:01:42.7 MB: She's been a vocal supporter for the rights of publishers and has played a significant role in shaping the industry's approach to dealing with major tech problems. A to F, how did ChatGPT do?

0:01:53.7 DC: You know, it was almost verbatim from my bio, which just lets you know that they really are scraping our content and competing with us and unlawfully using our quality journalism. So you just know my face in court.

0:02:07.9 MB: Everything it says about me just coming from either my Mike Blinder page or the Who Am I page on E&P, so I agree. But we're not here to discuss that or we could we could sprinkle that in. We only have 20 minutes to go over some major issues. And we're so honored to have you on. We're going to we're going to we're going to unpack three things. We'll take a brief look at what recently happened in California with a public private partnership with your mission. I really want to focus on where the JCPA is at, because we haven't been giving it a lot of air lately, but it's it seems to still be percolating. And I think you've got some things to discuss. And then



finally, your major win with the DOJ. So with your permission, can we take a quick break for our commercial and come back and unpack those three things?

0:02:48.9 DC: That sounds great. Thanks, Mike.

0:02:51.7 Announcer: This episode of E&P Reports is exclusively sponsored by Blocks Digital, formerly Town News. Even though the name has changed, their commitment to the media industry is as strong as ever. Blocks Digital is now even better positioned to deliver integrated solutions like content management, audience development, advertising revenue, video management and more. Join the over 2000 news publishers worldwide that power their ongoing digital transformation with Blocks Digital, serving over 141 million monthly users who view over 6.5 billion pages of content each year. You can trust Blocks Digital to empower you, to connect you, at scale with the community you need to reach. Blocks Digital, formerly Town News, now reimagined to help meet the news publishing challenges of tomorrow and beyond. Learn more at blocksdigital.com.

0:03:56.6 MB: We only have 20 minutes, Danielle. Let's briefly touch on California. I mean, recently, Governor Gavin Newsom and Assembly Member Buffy Wicks announced a public partnership agreement, which happened like out of the blue to some or maybe not. We've been getting everybody's posting about it, good or bad, right or wrong. What is your overview of what recently happened in California and how it's going to impact everything going forward with big tech?

0:04:26.5 DC: So the CIPA, AB886, was launched by Buffy Wicks in March 2023, and she was amazing for the last two years. It was originally a usage fee that turned into arbitration, was amended to pay out per journalist, passed through swimmingly in the assembly in the summer of 2023. But then Google started their antics in Canada and there was a pause, kind of to see what, you know, when it went to the Senate after it passed the assembly, it would go into Senator Umberg's Judiciary Committee. That was the first of three hurdles in the Senate. And he wanted to pause and make sure we're doing the right thing. Also, Canada's happening.

0:05:22.4 DC: How's that going to go? So then he held a hearing in November of 2023. Canadians testified, ethnic publishers testified, we testified, LA Times testified, consumer groups testified, the labor unions testified that this must be done. He heard loud and clear. Google also testified, saying that they wouldn't pull news like they would in Canada. They didn't have an intention of doing that, is what they said. And then what happened was when the bill started moving through the Senate the following year, Umberg, you know, was going to bring it before committee. Google pulled news. And or they started testing in California. So they started their tactics. At the same time, a competing bill was raised. They purported not to be competing and that until the the author said that it was a better solution. I think, you know, faction, a faction started being created, divided industry. That was very hurtful to the effort I think.

0:06:29.2 MB: 'Cause we, we looked like we had two bills trying to go through at the same time. And Google took advantage of that. Right. I mean, if I may ask.

0:06:35.0 DC: Yeah, it's never.

0:06:38.9 MB: Right.

0:06:39.4 DC: Strategically, it's never good to have a divided industry. I mean, everyone. Yeah.

0:06:42.1 MB: Yeah.

0:06:43.7 DC: And then but, you know, at the same time, you know, this bill, you know, the governor publicly said he wouldn't pass any new taxes. So so we thought, OK, it'll just move alongside. Maybe it might be leverage. And it wasn't ultimately. But we got to we got the bill through Buffy Wicks bill through Senate judiciary. And successfully through the last hurdle, which would be the appropriations bill before it was going to go to the floor. So the governor and assembly member Wicks, who, again, has been a champion for us this entire time, preferred a negotiated settlement to passing the bill. So they approached Google. Discussions began.

0:07:35.4 DC: They came up with a public private partnership that ended as 45 million in the first year. The total ranges from and 45 million. When I say that, I mean the fun that because there's other funds, there's like a little one for AI and another one for preexisting their GNI showcase thing. So the 45 million. Was is just to news publishers and actually is the same amount that the Canadian news publishers were paid. Between because 63% of \$74 million is. 45 million, so it's about the same as Canada, but the two things that that there was a backlash about was that the 45 million. And the total package is 280 to 360.

0:08:35.6 MB: Right.

0:08:37.4 DC: Right. But the 45 for the first year to this fund that that's just checks distributed to journalists, you know, Google walks away. The two problems that people saw with that and I even despite assembly member Wicks valiant efforts that I take issue with is that it. Is a lot of state funding. Google was able to extract funds from the state and didn't pay that total amount themselves. And the second thing that we take issue with. Is that, you know, it's over five years. So while the total 280 to 360 is about, you know, the same estimates that we believe that we're owed because nationally that would be about two and a half billion just for news publishers.

0:09:34.9 MB: Right.

0:09:35.7 DC: We've always estimated about 5 billion just for news publishers. If you bring in others, then it could be more. But but nationally, that would mean about 2.5 billion, which is what we estimate we're owed. You know, it's about half of the half of the analysis that we had done. But the problem is, is that it's over five years. So those are the two things that we take issue with, and it demonstrates Google's monopoly power.

0:10:02.3 MB: Exactly.

0:10:04.6 S5: It's why the federal government needs to step in. They have been deemed a monopoly that we'll talk about later, and they are currently generating a tremendous amount of revenue off of our content, and that has to stop.



0:10:20.2 MB: Well, let's pivot. I mean, with this partnership in place, how does this influence your strategy in pushing the JCPA through? That is the next thing I want to move on to. Now, you've got you got to fly in on September 11th. You're bringing in many news publishing executives. You're going to be doing the job that you have to do. You do well in Washington, DC Give us that update that overview. Where is the JCPA today? Does this have any influence on that? Are we is everything moving forward the way you want it to be?

0:10:48.7 DC: So there's a few. So what you're asking is, where do we go from here? And that's a great question because we're thinking about it ourselves. We have a lot of allies here in Washington, DC, government as well as external parties. Who have all refocused and turned to government to call on them and their leadership and the leverage that's needed to be able to extract fair market value. In return for our content, they've been working on it for eight years, a case with the DOJ, an investigation that we'll get to. Can you tell I'm eager to discuss that?

0:11:35.5 MB: I'll turn that letter, Vanna, don't worry.

0:11:37.2 DC: I know, I'm kidding, I'm kidding. So the federal legislation, though, since 2017 has been pending and it's taken some twists and turns because of Europe then Australia, Europe in 2019, Australia in 2020, payments from payments that resulted in 2021, I believe. Canada in 2022, 2023 rather, I apologize, and will be paid soon. So how those pieces of legislation around the world have taken shape has influenced the JCPA. They may again with California, although I don't foresee much because of the different circumstances there. So the JCPA with bipartisan support, more than 10 senators, Republican senators, that's needed to overcome this wonky policy thing that's called the cloture vote to be able to get it through in a lame duck session. What could that look like as far as moving vehicles? We have the omnibus. We have other vehicles that it could ride on.

0:12:40.3 DC: We will be calling on Congress when we come when we bring 120 local news publishers, local and national and other news publishers to Washington, D.C to call on Congress to pass this critical legislation that's that's now that what after what happened in California reinforces the need for it so that a patchwork across the country which has already begun in Illinois, New York, Washington, and other states where they're eyeing, you know, they already a couple of those already have introduced legislation, which may play out differently than California because there's different players involved, different circumstances. So I'm also asked, is this a template? There's critical things as part of the agreement that are a template, that's the definitions of eligibility, everyone's eligible. Yes, the funds are funneled to California, as you would expect, but everyone is eligible. That is incredibly important for the First Amendment and for us to not pick and choose.

0:13:54.8 DC: Again, this is all of news industry. This is not just factions of it that need to be have legal rights to the value of their content. This cannot we cannot divide each other. We must stand together. We must push for the JCPA and our industry must prevail.

0:14:15.9 MB: Let's talk about the win now. On August 5th, the DOJ ruled against Google in a massively historic lawsuit, finding that Google violated antitrust laws. Excuse me for adding an editorial comment, duh. And it's anti-competitive practices. And you the News Media Alliance had this amazing white paper that you put together that must have taken so many research, so many people and time and energy. And many say that was part of how this all came together. Can you just

give us now your position on this win? What does it mean? Google's obviously going to contest it, right? And how and how fired up are we to keep keep this ruling where it is?

0:15:02.1 DC: So thank you for remembering the white paper that took almost two years and hundreds of interviews, because what it did was it collected the evidence of the anti-competitive conduct that harms publishers. And anonymous and aggregated so that the fear of retaliation is always a real thing.

0:15:23.1 MB: Of course.

0:15:24.3 DC: And in our work with the DOJ, who I deeply respect the leadership of. They did an amazing job. Actually, I'll remind you that case got started under the Trump administration, which is interesting.

0:15:36.5 MB: Yes.

0:15:38.3 DC: And forward under the Biden administration. So so when the court, when Judge Mehta, M-E-H-T-A, not Meta.

0:15:48.3 MB: Not M-E-T-A, I get it.

0:15:48.4 DC: Yeah, found that there was anti-competitive behavior, exclusion, exclusive contracts, search text advertising, a dominance of monopolization and anti-competitive practices. The harmed parties were advertisers, users and publishers. So with that ruling, there will now be a remedies trial in 2025, and it's almost like a trial within a trial.

0:16:17.7 DC: You can bring in evidence, so on and so forth to be able to determine what remedy we fully support. What Moles has already vocalized a breakup of this monopoly. I think that the scale was talked about a lot in the ruling, and that underpins a remedy to break them up. Short of that, news publishers as a segment of the publishers that were harmed, also part of the ruling, publishers were harmed, should be remedied and in what ways were were organizing our membership to get behind what we would support as remedies. That will be advocating on, which has to do with the unlawful use of our content that we've we're trying to legislate on, has to do with the use of our content for AI We haven't talked a lot about AI yet. That's a large part of our portfolio right now, both legal licensing and legislation.

0:17:22.6 DC: And remedies there will address the future and not just the present and the past. And we're working with different parties to ensure that this monopoly cannot continue to cement its market power to the detriment of news publications and quality content. And we'll continue to do that over the next year.

0:17:52.2 MB: Ruling really does. It's the timing couldn't be better for the JCPA, correct? Doesn't this bolster your case even more and make it you're going in now with your guns ablazing or am I overestimating?

0:18:05.5 DC: That's no, you're correct. It's a solution to the problem that was found by the court.

0:18:10.3 MB: Excellent. And what success what's the success look like over five years when you roll in AI? I mean will there be similar fights going down with with similar resources needed and similar support from members in order to continue to champion the fact, I guess it all boils down to it's our content, darn it, and we deserve our compensation or at least the value to be recognized. Am I correct?

0:18:37.8 DC: Yes. The way that I see it. Is right now we're in a moment where we're it's a critical moment for our membership. So, yes, should we should we stick together? Absolutely. Because I believe in this moment we can change the trajectory. Through micro. Movements, meaning flex the muscle, we just won, we called on through legal instruments, parties to prevent circumvention of our paywalls, GitHub, Mozilla and others, a number of parties. So we're exercising our legal muscle as well as potentially with larger AI actors. We're moving for compensation through legislation, potentially DOJ and other venues. We are protecting the quality in our business model to be able to reap the benefits of our labor so that we can reinvest in quality content. And then once we change that trajectory, I do believe over the next five years we can start to recapture control and own our own fate, regardless of distributor, platform, medium, whoever, whatever technology comes next, there will be something after AI. And so going into the future to be able to thrive like I know that we can, we need to change it in the moment now, change that trajectory, because I do see that positive, thriving future as a reality.

0:20:25.9 MB: Danielle Coffey, president and CEO of News Media Alliance, you have been an amazing advocate for this industry. I just wouldn't know right now that prior to your elevation as CEO, you were the executive vice president and general counsel. So you got advocacy in your blood. But before that, you were doing advocacy, correct me if I'm wrong, for the telecommunications industry. So I think if I may editorialize, and I'm allowed to because I'm a publisher of a magazine, we got to all row in the same direction. And bravo to the News Media Alliance. The hard work you guys are doing to keep your head to the ground.

0:21:04.2 MB: You're keeping up the good fight. And I know there's a lot of flack out there, but congratulations on the huge win with the DOJ. Good luck with the obviously the JCPA. And will you do us a favor and constantly stay in touch with the E&P so we can help you put up that critical bat signal and get our news publishing executives that pick up a phone, send an email or run an ad so we're all rowing together. Do you agree?

0:21:31.9 DC: Absolutely. You've been a great partner, Mike. I appreciate you wanting to have a conversation today in this moment. I think there's a lot for us to do over the next 3, 6, 12 months. And so, yes, working together is and being united, I think, is more important now than ever.